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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 6 June 1966

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ARMY and DOS review(s) completed.

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HIGHLIGHTS

The military government of South Vietnam today implemented its decision to include ten civilian representatives on the ruling Directorate. The group is predominantly southern, with no official representative from the Buddhist Institute.

- I. The Military Situation in South Vietnam:
 Operation BINH PHU 7 has begun 24 miles north of Qui
 Nhon in Binh Dinh Province (Para. 1). Operation
 CRAZY HORSE ends after 20 days with 516 Viet Cong
 killed (Paras. 2-4). Viet Cong sea infiltration in
 the area of the Ca Mau Peninsula described (Paras.
 5-6.) Enemy troops are forbidden to listen to allied radio stations (Paras. 7-8).
- The government today implemented its decision to include ten civilian representatives on the ruling Directorate (Para. 1). The group is predominantly southern, with no official representative from the Buddhist Institute (Para. 2). A Buddhist Institute communique today clearly demanded the resignations of Premier Ky and Chief of State Thieu, indicating that the militant Buddhists are in control of the Institute (Para. 3). Public agitation in Hue today was characterized by a religious theme, with family altars congesting public thoroughfares (Para. 4). Judging from recent interviews with US journalists, Tri Quang appears to be taking up irrevocable opposition to the government (Para. 5).
- III. Military Developments in North Vietnam: Hanoi is attempting to develop a system of small, dispersed bulk petroleum storage facilities as a contingency against the possible bombing of existing bulk storage facilities (Paras. 1-4).
- IV. Other Communist Military Developments: nothing of significance to report.

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V. Communist Political Developments: French President De Gaulle is sending a personal emissary to Hanoi and several other Asian capitals to assess the thinking of North Vietnamese officials (Paras.

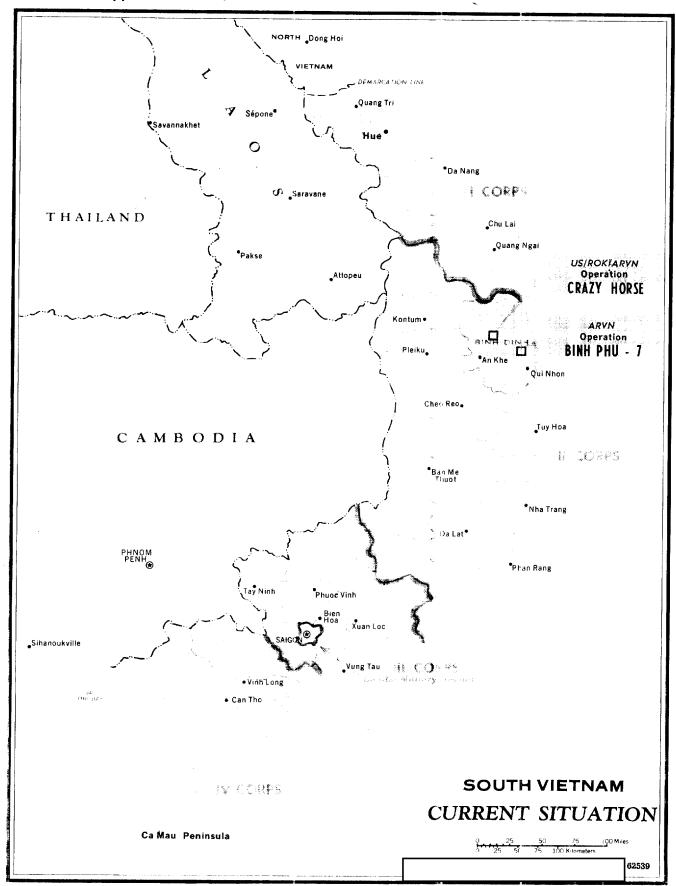
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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. A scheduled ten-day search-and-destroy operation, Operation BINH PHU 7, is being conducted approximately 24 miles northwest of Qui Nhon in Binh Dinh Province. Four South Vietnamese battalions are participating in this operation which began on 2 June. On 3 and 4 June, during two contacts with enemy forces, 62 Viet Cong were killed and 25 captured. Friendly losses included eight killed (one US) and 11 wounded.

Operation CRAZY HORSE Terminated

- 2. Operation CRAZY HORSE has ended after 20 days of action in central Binh Dinh Province. This operation was initiated on 16 May in reaction to an enemy force which attacked elements of the US 1st Cavalry Division north of its base camp at An Khe. On 25 May, four South Vietnamese CIDG companies joined the four US battalions. One South Korean battalion was committed on 28 May.
- 3. A total of 265 tactical air sorties were flown in support of the operation. US forces seized or destroyed large quantities of ammunition and supplies including 27 tons of rice and 12 tons of salt. Total Viet Cong casualties were 516 killed and 31 captured. Friendly losses were 78 killed (64 US) and 233 wounded (198 US).
- 4. A Viet Cong soldier captured during Operation CRAZY HORSE claims he was a member of the 9th Battalion, 12th PAVN Regiment. He stated during his interrogation that his unit's strength was only 180 men, 30 of whom were South Vietnamese. It has not yet been determined why the battalion is at such low strength, but if the story is verified it may mean that the 12th Regiment has suffered heavy casualties as a result of Operation CRAZY HORSE or has not yet recovered from past operations.

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Viet Cong Sea Infiltration

- 5. A captured Viet Cong, reportedly a member of the 333rd Battalion which has the responsibility for security, receipt, and storage of supplies infiltrated by sea in IV Corps, was knowledgeable on sea infiltration into the Ca Mau Peninsula from January 1964 to November 1965. He stated that sea infiltration averaged two steel-hulled ships per month from January 1964 until February 1965 and then ceased because of naval patrols and air activity over North Vietnam. Infiltration reportedly resumed in November 1965 when two ships entered South Vietnamese waters off the Ca Mau Peninsula.
- 6. The steel-hulled ship sunk off the Ca Mau Peninsula on 10 May was believed to have been destined for one of the unloading points mentioned by the prisoner. The only other known infiltration attempt since November 1965 occurred last December when a steel-hulled trawler showing Chinese Nationalist colors was challenged by allied naval forces off Ca Mau. This ship withdrew to international waters and eventually entered Chinese Communist waters. It is believed that all attempts at infiltration by steel-hulled ships have originated in North Vietnam, probably at Haiphong.

Enemy Troops Forbidden to Listen to Allied Radio Stations

- 7. A recently captured Viet Cong document contains a communiqué dated 15 April 1966, which was originated by a province unit political section and addressed to all districts. The communiqué points out that a number of cadre, troops and others have been listening to the popular programs broadcast by Saigon radio and this is as bad as though they had taken government psywar cadre into their households.
- 8. Instructions forbid cadre and troops to listen to Saigon radio or to American stations. If a person is found listening he is to be given proper indoctrination. The contents of the communique were to be disseminated down to the cadre and soldiers.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. Ten civilians today accepted invitations to join the ruling military Directorate, according to unofficial reports. Earlier today, the list had reportedly been approved by the 45-man Armed Forces Congress, which includes all general officers and division commanders. Other press sources indicated that the Congress also cast 42 votes of confidence for Generals Ky and Thieu, with three abstentions.
- The latest US Embassy report on the expanded Directorate listed ten civilian appointees, although it is not yet certain that they comprise the final civilian group. There is evidence that some of the civilians initially invited declined to participate, including representatives from central Vietnam and from the two smaller religious US Embassy officials commented that "by and large" the group includes well-known political and professional personalities in South Viet-As a whole, the group is dominated by southerners, with one delegate apparently chosen chiefly as a representative from central Vietnam. There are representatives of the Catholic, Cao Dai, and Hoa Hao religions, but there is no representative "officially" connected with the Buddhist Institute. One appointee, however, previously has had some close ties with Buddhist Institute leaders, particularly chairman Tam Chau.
- 3. There have been no official reports of any specific Buddhist response today to the enlarged Directorate. Press reports, however, have described a meeting of 5,000-7,000 Buddhists at the Buddhist Institute in Saigon this evening (Vietnam time), at which strongly anti-government and anti-US themes predominated. Earlier today, the Buddhist Institute issued a new communique which clearly demanded that Thieu and Ky resign. "Otherwise," the communique concluded, "if the two generals...remain in power with a patched-up change, it cannot solve anything, but only increase the opposition from the people."

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<u>Hue</u>
4. In contrast to the recent agitation conducted by students and other civilian dissidents in Hue, today's protest activities there were characterized by a purely Buddhist theme. Responding to an appeal from Tri Quang
Buddhist followers this afternoon began placing family altars in the streets, blocking the main thoroughfares and bridge accesses. this tactic ap-
pears to be gaining the sympathies of many ARVN troops in the city to maintain order. Province chief Khoa informed a US military adviser that he intended to wait for 24 hours before taking any kind of counteraction.
5. In weekend interviews with US journalists, Tri Quang remained adamant in his insistence that Ky and Thieu resign. Quang also confirmed that he had sent a telegram to that effect to Tam Chau on 2 June, which reportedly was one of the reasons for Tam Chau's subsequent resignation as Institute chairman. Quang also repeated his intention to boycott any elections arranged by the present government and generally appeared to be more embittered and inflexible than he was two weeks ago.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

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Intensive effort is under way in North Vietnam to develop a system of small, dispersed bulk petroleum storage facilities. In addition, several large concentrations of drum storage, which could provide a supplemental tactical reserve of petroleum supplies, have been observed in photography. These facilities are probably being constructed as a contingency against the possible bombing or denial of other existing bulk oil storage capacity of about 165,000 metric tons, almost two thirds of which is located in two major installations at Haiphong and Hanoi. It is clear, however, that because of the small total capacity of the dispersed sites and the drum storage in relation to the existing capacity of 165,000 MT, Hanoi's efforts can be only a stopgap measure to established supply procedures.

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3. The location of the dispersed bulk storage suggests that North Vietnam may well anticipate the denial of bulk storage facilities at Haiphong, and possibly at Hanoi. Of the 18 sites located north of the 20th parallel, only one—Son La—is not lo—cated adjacent to a railroad, and almost 75 percent of the total capacity of all these sites in North Vietnam is located at or near one of the three rail—roads leading south to Hanoi from Lao Cai, Ping—hsiang,

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and Thai Nguyen. In the event of denial of the port of Haiphong, through which more than 90 percent of North Vietnam's petroleum is received, these sites presumably could be used for emergency supply and be resupplied by rail through China until alternative supply procedures could be developed.	
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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

- 1. Press reports indicate that French President De Gaulle is sending a personal emissary to Hanoi in order to get a firsthand report on the latest thinking of the North Vietnamese leaders. The scheduled trip is very similar to one undertaken for the French President late last year by Jean Chauvel. This time the emissary is Jean Sainteny, fromer French High Commissioner in colonial days and France's first diplomatic representative to North Vietnam after the signing of the Geneva agreements. It is being described as a strictly private mission and includes several other Asian capitals as well as Hanoi.
- 2. De Gaulle first revealed his plans to send Sainteny to Hanoi last March. He indicated at that time that Sainteny had been chosen because he "enjoys good relations with Ho Chi Minh and other Vietnamese leaders." Sainteny is currently scheduled to leave France at the end of the month.

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